DIY study

(Continued from page 1)

Morris R. Robinson, vice president of the Chicago-based Research Bureau of Building Marketing, however, in addressing the dynamics of the DIY market during the day-long meeting, estimated that total home modernization expenditures will increase from an estimated $55.7 billion last year, to a projected $57.7 billion this year, and $60.3 billion in 1984.

In exploring where DIYers shop for the products they buy, the institute found that specialty stores have gained a significant foothold in market share in certain key product categories. However, there continues to be tremendous variation in market share among different types of retail stores when looking at all home center product lines, noted Farnsworth.

Specialty stores outranked home centers as the place of purchase for wallpaper and paint, but home centers still outrank hardware stores for the sales of many traditional hardware items.

According to 1,500 respondents in the survey identified as DIYers, for example, 22.9% bought wallpaper during the previous 12 months. Yet 60.4% of those buyers made their purchases at specialty outlets, compared to 8.3% who bought the product at a home center, and 9.9% who bought it at a discount store.

On the other hand, home centers were clearly the No. 1 outlet, when compared to hardware stores, lumber and building material outlets, discount and department stores, when DIYers purchased insulation, ceiling tiles, wall paneling, roofing, gutters and downspouts, brick and masonry items, weather stripping, bathroom and kitchen faucets and sinks, and other building materials.

The study also covered the development of a newly emerging consumer segmentation, whose profiles are based on their shopping habits.

Among the findings of that

(Continued on page 9)

What DIYers bought and where in 1982

What DIYers bought: Product category (individual products)	How many bought items: Per cent of DIYers buying in past 12 months	Where DIYers bought the items: Per cent of unit purchases among DIY buyers, by outlet type* — Hardware stores	Home Centers**	L/BM outlets	Sears, Penney, Ward	Discount stores	Specialty stores	Nonretail Direct mail Garage sale Flea market
PLUMBING AND HEATING Bathroom Faucets	23.1	19.9	32.4	5.8	7.5	4.4	19.5	3.1
Toilet/Repair Parts	20.8	13.8	30.0	5.4	6.5	7.6	15.8	8.8
Kitchen Faucets	20.6	16.9	34.7	6.1	9.7	7.1	14.5	3.9
Bathroom Vanity	8.2	0.8	34.6	10.0	10.9	6.4	16.4	5.6
Water Heater	6.9	5.6	9.3	1.7	39.4	—	22.8	7.0
Kitchen Sink	4.7	4.6	57.3	9.3	3.9	1.7	13.1	3.0
Garbage Disposal	3.4	3.0	7.3	1.1	46.7	1.8	26.5	2.8
ELECTRICAL Light Switches	31.0	22.2	32.6	6.2	5.7	12.1	11.9	4.2
Light Fixtures	28.1	7.5	23.9	5.2	12.3	11.0	21.0	9.8
Electrical Wiring/Outlets	23.9	20.8	30.3	6.1	4.3	4.8	12.7	10.1
Ceiling Fan	13.4	2.0	22.5	1.6	15.1	12.5	26.6	4.5
PAINT & PAINT SUNDRIES Interior Paint	60.9	11.7	13.4	3.1	25.9	9.7	28.0	3.3
Paint Brushes/Rollers or Other Supplies	58.0	14.1	16.2	7.1	17.0	14.8	25.7	0.9
Exterior Paint	32.9	7.4	13.3	4.9	28.9	7.6	33.7	1.8
Varnish/Stain	32.2	20.3	29.9	7.5	5.7	12.9	15.8	2.1
Wallpaper	22.9	4.2	8.3	0.5	5.8	9.9	60.4	2.8

*May not total to 100% due to other store types which are not listed.
**As defined by Home Center Institute: $1 million matured; 8-10,000-ft. selling floor; consumer hours; building materials emphasis.
Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY consumer.

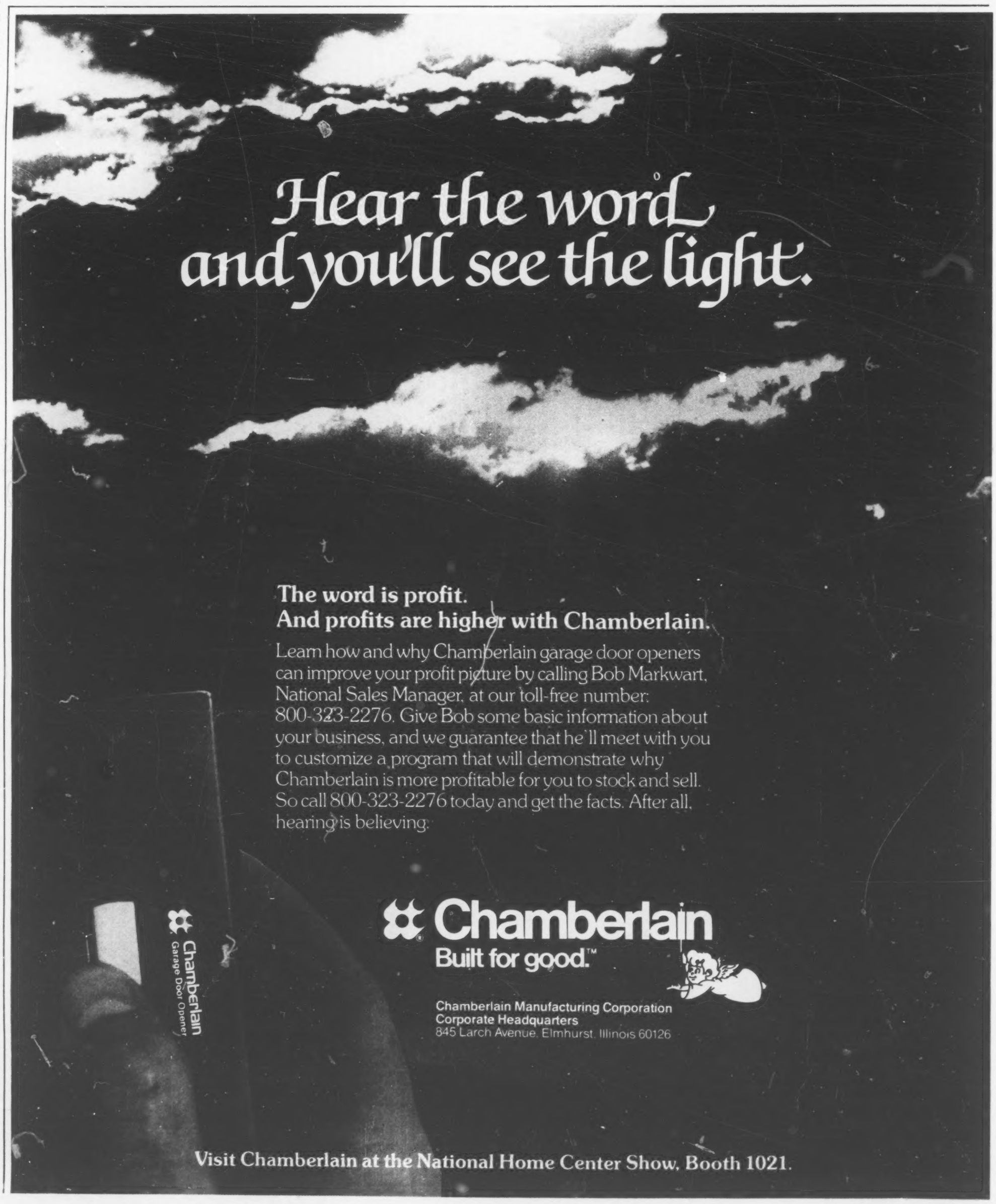
Top 20 items purchased at specialty stores by DIYers*

Product	Per cent of DIY consumers
Ceramic tile	65.0
Carpeting	62.8
Wallpaper	60.4
Vinyl floor covering	45.7
Exterior paint	33.7
Kitchen cabinets	30.1
Interior paint	28.0
Ceiling fans	26.6
Garbage disposal	26.5
Paint brushes/rollers and other supplies	25.7
Windows/glass	23.2
Water heater	22.8
Light fixtures	21.0
Bathroom faucets	19.5
Exterior siding	17.8
Exterior doors	17.7
Bathroom vanity	16.4
Toilet/repair parts	15.8
Varnish/stain	15.8
Brick/masonry	15.6

*By level of intensity based on telephone interviews with 1,997 consumers in 1982

Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY Consumer

DIYers overwhelmingly preferred to purchase their ceramic tile, carpeting and wallpaper at specialty stores than at any other type of outlet.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What DIYers bought and where in 1982

What DIYers bought: Product category (individual products)	How many bought items: Per cent of DIYers buying in past 12 months	Where DIYers bought the items: Per cent of unit purchases among DIY buyers, by outlet type* — Hardware stores	Home Centers**	L/BM outlets	Sears, Penney, Ward	Discount stores	Specialty stores	Nonretail Direct mail Garage sale Flea market
LUMBER/BUILDING MATERIALS								
Lumber	42.7	1.4	50.8	42.2	—	1.4	0.6	0.3
Shades/Shutters	24.4	3.5	11.7	2.7	22.8	23.0	14.1	7.0
Insulation	19.5	3.3	48.3	20.1	4.0	6.1	2.6	5.0
Drywall	17.0	7.9	33.1	25.0	1.5	1.0	5.0	13.7
Carpeting	16.6	—	6.2	1.6	10.4	2.4	62.8	7.9
Windows/Glass	15.1	17.0	21.6	16.2	—	0.4	23.2	12.1
Vinyl floor covering	14.8	0.4	12.6	3.2	8.5	5.8	45.7	14.2
Roofing/Shingles	13.4	5.3	36.8	23.6	2.9	2.3	9.3	6.9
Paneling	12.3	0.8	51.5	24.1	0.4	11.4	7.1	2.7
Exterior doors	10.4	0.1	27.8	21.4	7.0	1.1	17.7	12.2
Brick/Masonry	9.6	6.0	25.6	17.8	0.1	6.7	15.6	16.8
Downspouts/Gutters	8.2	7.5	29.2	12.8	8.2	4.5	10.8	6.7
Ceiling Tile	7.6	4.1	49.1	14.6	2.2	3.3	6.3	6.5
Ceramic Tile	5.0	1.7	18.7	1.1	2.4	—	65.0	6.6
Kitchen Cabinets	3.8	—	22.7	24.9	2.1	2.1	30.1	13.3
Exterior Siding	3.7	—	19.1	33.3	—	4.2	17.8	12.2

*May not total to 100% due to other store types which are not listed
**As defined by Home Center Institute: $1 million matured; 8-10,000-sq.-ft. selling floor; consumer hours; building materials emphasis
Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY consumer

Home centers outranked lumber and building materials outlets (50.8%-42.2%) as the type of store DIYers chose to buy lumber (see chart at left). Paneling, ceiling tiles and roofing also were bought most often at home centers. Although hardware stores tend to outrank home centers slightly as the type of store where DIYers buy certain tools (see chart on next page), neither ranks as high as stores like Sears, Penney and Ward.

Top 20 items purchased at lumber/building material outlets by DIYers*

Product	Per cent of DIY consumers
Lumber	42.2
Exterior siding	33.3
Drywall	25.0
Kitchen cabinets	24.9
Paneling	24.1
Roofing/shingles	23.6
Fasteners	22.8
Exterior doors	21.4
Insulation	20.1
Brick/masonry	17.8
Windows/glass	16.2
Ceiling tile	14.6
Door locks	13.5
Downspouts/gutters	12.8
Window screens	11.0
Bathroom vanity	10.0
Weather stripping/ caulk	9.6
Kitchen sink	9.3
Cabinet hardware	7.6
Varnish/stain	7.5

*By level of intensity based on telephone interviews with 1,997 consumers in 1982

Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY Consumer

Lumberyards now sell less frequently to DIYers than home centers do although lumber outlets are still the No. 1 choice for siding.

Top 20 items purchased at hardware stores by DIYers*

Product	Per cent of DIY consumers
Window screens	26.3
Fasteners	23.5
Light switches	22.2
Electrical wiring/ outlets	20.8
Door locks	20.4
Varnish/stain	20.3
Bathroom faucets	19.9
Weather stripping/ caulk	19.7
Hammers	17.6
Windows/glass	17.0
Kitchen faucets	16.9
Hand saw	15.3
Electric drill	15.2
Paint brushes/rollers and other supplies	14.1
Cabinet hardware	13.9
Toilet/repair parts	13.8
Chain saw	13.5
Hand tools (in general)	12.4
Power tools (in general)	12.1
Interior paint	11.7

*By level of intensity based on telephone interviews with 1,997 consumers in 1982

Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY Consumer

Window screens are purchased more frequently by DIYers than any other hardware store item, but still fall short of the rate at which home centers sell them.

The Battle of the Blade Safety Systems...

Stop&Tug VERSUS Stop&Go

What does MTD's "Action Guard" Blade Brake Clutch do that other systems don't?

A. That's easy. Action Guard allows the rotary to **stop and go** . . . automatically . . . positively . . . because it stops **only** the blade — **not** the engine!

Let's face it. All three blade safety systems work. And MTD produces rotaries that incorporate each of them. But **one system** is most convenient . . . easiest for any family member to operate . . . eliminates all the annoying stopping-and-restarting-and-tugging effort after each stop. It's the **MTD Action Guard Blade Brake Clutch.**

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It's the answer for your customers who want to get the lawn chores done with a minimum of effort . . . and those whose arms or wrists may tire from constant rope-pull restarting.

But don't all 3 Blade Safety Systems do pretty much the same thing?

A. Yes, pretty much. They all stop the blade action within 3-seconds of release of the control. But only the Action Guard allows the engine to **continue** running throughout the mowing period (or 'til the gas tank runs empty) to eliminate the need for arm-tiring or battery-draining engine restarting every time the control is released.

Is the ACTION GUARD Blade Brake System expensive?

A. No. Remember, it's from MTD . . . so you know it's moderately priced, and well within the budget of anyone who can afford a new rotary this season. It will outsell every other similar device on the market because of the convenience.

It's easy to demonstrate . . . easy to service . . . not complicated . . . and often makes the difference between "just looking" and a sale. True, the extended rope start system is cheaper. But it's also slower . . . and less convenient . . . and requires a constant tug-tug-tug every time it's stopped.

Does the ACTION GUARD interfere with a good clean cut?

A. Absolutely not. The excellence of any blade safety system depends on the excellence of its design and its compatibility with the rotary mower . . . and its convenience to the owner. As the nation's leading manufacturer of outdoor power products, MTD's engineers have designed the Action Guard to work in precise conjunction with a series of steel or cast deck rotaries with precision-cutting blades. **Special stainless steel control wires are added . . . plus an exclusive handle design for total comfort!**

Is ACTION GUARD available on many MTD rotary mower designs?

A. By all means! It's true that Action Guard is available only from MTD. But our designers have incorporated it into an almost unlimited array of MTD-produced rotary mower designs this year: side-discharge . . . rear-discharge . . . a variety of engine horsepowers, cutting widths and deck designs . . . even high-wheelers. Almost any new MTD rotary mower design can be supplied with a unique, exclusive Action Guard system.

How can you help a customer determine if the ACTION GUARD Blade Brake System is really right for him . . . or her?

A. Ask a few questions. Demand a few honest answers. How large is your lawn? Do you have a lot of reasons to stop? Do you require a lot of grasscatcher emptying? How often do you have to stop to remove twigs, stones, toys, obstacles? Do you cross sidewalks, paths, driveways? Do you stop to pull an occasional weed near the base of trees or close to fences . . . or open or close a gate? Or is lawn-grooming simply one of your Saturday morning pleasures (as it is to many, many Americans) and you want all the nuisance removed from your equipment? If their answer to any of these is "yes," they'll want a rotary with Action Guard.

How can you find out more about ACTION GUARD?

MTD designed, patented and tested Action Guard, and provides it only on rotaries built by MTD. Proven highly reliable in its third year of production, it has amassed an amazing record of in-field and at-home consumer satisfaction by thousands of owners. Just write us for full details of MTD rotary mowers with Action Guard.

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DIY study

(Continued from page 7)

part of the study: consumers place a great deal of importance on the quality of the merchandise they buy; its availability at the time they are shopping; and its perceived price/value.

Also speaking at the seminar was Marie Spengler, director of the VALS (Values and Lifestyles) program at SRI International, who discussed the psychological "topology" of today's consumers.

The Do-It-Yourself Research Institute, based in Indianapolis, is a nonprofit research organization, founded by Lowe's, Color Tile, W. R. Grace, The Stanley Works, Black & Decker Manufacturing, and Masco Corp.

Discount and department stores' inroads on the DIY market are illustrated in the two charts below.

Top 20 items purchased at Sears, Ward, Penney by DIYers*

Product	Per cent of DIY consumers
Electric circular saw	52.3
Electric sander	47.3
Garbage disposal	46.7
Water heater	39.4
Power tools (in general)	38.7
Screwdriver	35.9
Adjustable wrench	34.1
Electric drill	32.2
Exterior paint	28.9
Hand tools (in general)	27.9
Hammer	27.0
Interior paint	25.9
Hand saw	25.7
Automatic garage door opener	23.7
Chain saw	23.4
Shades/Shutters	22.8
Paint brushes/rollers and other supplies	17.0
Ceiling fan	15.1
Smoke detector	14.6
Bathroom vanity	10.9

*By level of intensity based on telephone interviews with 1,997 consumers in 1982

Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY Consumer

Top 20 items purchased at discount stores by DIYers*

Product	Per cent of DIY consumers
Automatic garage door openers	27.1
Shades/Shutters	23.0
Smoke detector	22.1
Hand saw	19.8
Weather stripping/ Caulk	16.7
Paint brushes/rollers and other supplies	14.8
Power tools (in general)	14.5
Cabinet hardware	14.4
Electric drill	13.7
Varnish/stain	12.9
Hand tools (in general)	12.7
Ceiling fan	12.5
Chain saw	12.4
Hammer	12.2
Screwdriver	12.1
Light switches	12.1
Paneling	11.4
Door locks	11.2
Light fixtures	11.0
Adjustable wrench	10.6

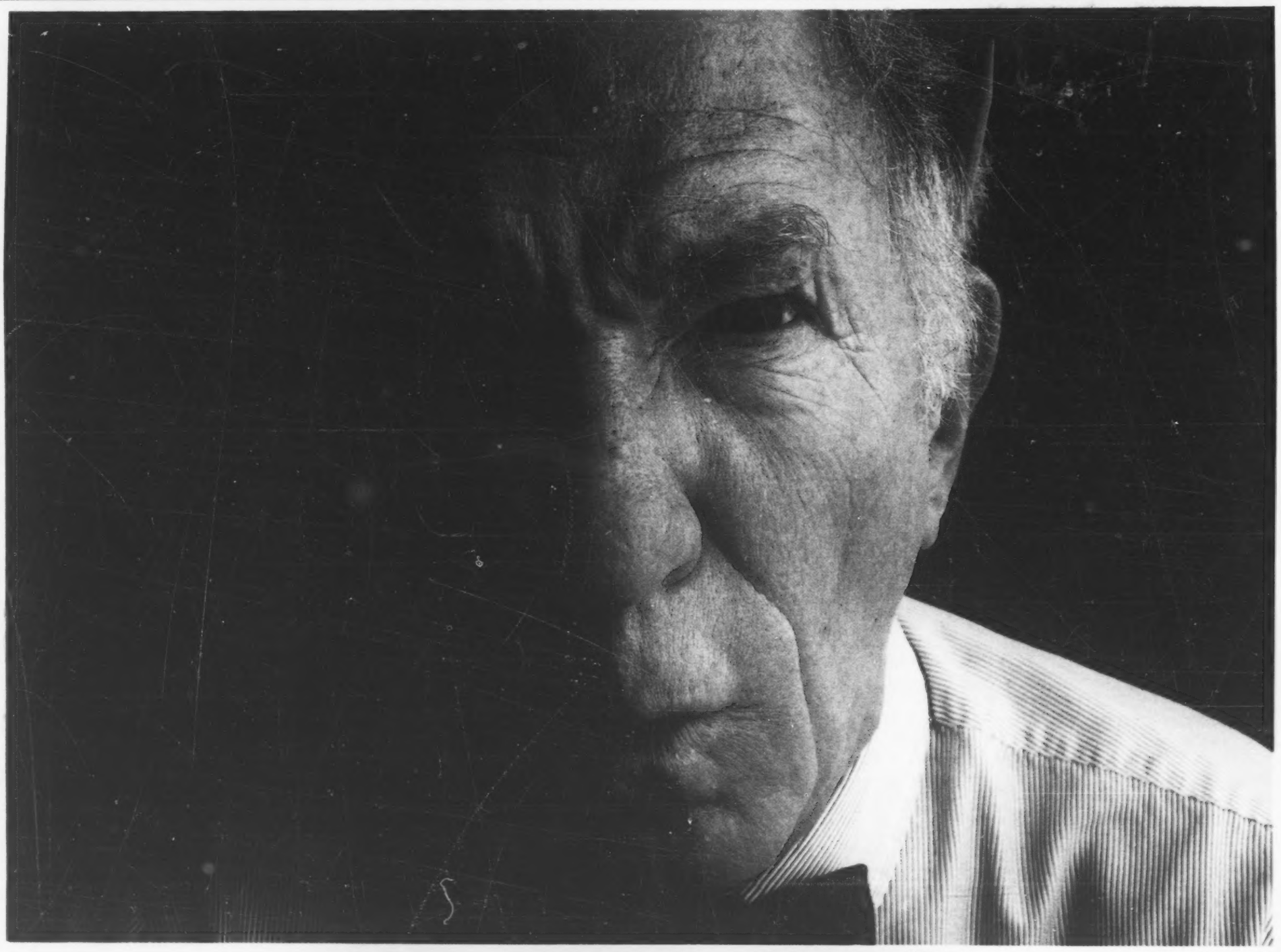
*By level of intensity based on telephone interviews with 1,997 consumers in 1982

Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY Consumer

What DIYers bought and where in 1982

What DIYers bought: Product category (individual products)	How many bought items: Per cent of DIYers buying in past 12 months	Where DIYers bought the items: Per cent of unit purchases among DIY buyers, by outlet type* — Hardware stores	Home Centers**	L/BM outlets	Sears, Penney, Ward	Discount stores	Specialty stores	Nonretail Direct mail Garage sale Flea market
HARDWARE Fasteners	50.3	23.5	36.2	22.8	2.8	7.3	1.0	0.9
Weatherstripping/Caulking	43.0	19.7	37.2	9.6	5.0	16.7	3.4	2.9
Door Locks	28.2	20.4	21.9	13.5	7.2	11.2	12.1	8.1
Smoke Detectors	21.6	4.3	8.2	0.5	14.6	22.1	3.7	29.9
Window Screens	20.5	26.3	29.1	11.0	1.7	5.1	6.4	8.9
Cabinet Hardware	8.4	13.9	38.2	7.6	7.6	14.4	9.9	2.9
Automatic Garage Door Opener	4.0	—	22.0	2.7	23.7	27.1	7.9	9.3
HAND TOOLS Screwdriver	25.5	10.8	12.3	1.7	35.9	12.1	7.1	7.1
Hammer	17.1	17.6	13.0	7.3	27.0	12.2	0.9	7.6
Adjustable Wrench	14.1	11.5	17.2	0.9	34.1	10.6	3.4	7.3
Hand Saw	9.9	15.3	14.5	3.8	25.7	19.8	0.7	9.0
POWER TOOLS Electric Drill	12.0	15.2	11.8	0.6	32.2	13.7	3.3	10.7
Electric Circular Saw	9.6	5.9	10.0	3.3	52.3	10.1	2.0	5.7
Electric Sander	6.3	11.0	4.4	1.1	47.3	8.3	4.0	10.9
Chain Saw	3.7	13.5	13.0	—	23.4	12.4	5.5	8.3

*May not total to 100% due to other store types which are not listed.
**As defined by Home Center Institute: # million matured; 8-10,000-ft. selling floor; consumer hours; building materials emphasis.
Source: Do-It-Yourself Research Institute, 1982 Baseline Survey of the DIY consumer.



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Decorative Products

Study analyzes DIY decorative product activity

NEW YORK—More than 8 out of 10 purchasers of interior paint applied it themselves last year; two-thirds of the households that bought paneling spent less than $200 a year on the product; 44% of wallpaper buyers are under 35 years of age vs. 40% of all home improvement product consumers.

These are but a few of the myriad findings contained in an exhaustive eight-volume, 800-plus page study written for Frost & Sullivan from data collected from interviews with more than 15,000 adults in the Simmons Market Research Bureau's annual survey. This is the first time Simmons, an advertising and publishing market research firm, has allowed its information to be analyzed in a format geared to the solution of marketing problems.

The study, possibly the most extensive ever conducted in the home improvement industry, evaluated the characteristics and behavior of decorative product buyers in eight categories: interior paint, exterior paint, wall-to-wall carpeting, indoor/outdoor carpeting, wallpaper, wall paneling, no-wax vinyl sheet goods and no-wax vinyl tiles. Those who reported buying the products during the year prior to the interview period were compared to both those who have purchased any home improvement products and the population at large.

Among the findings, broken down by product type, were:

- Wall-to-wall carpeting was a DIY purchase for a surprisingly high 38% of purchasers, who differed from the product group as a whole by being younger, less well educated and having lower incomes. They perceived themselves as less "economy minded" than purchasers who hire professional installers, despite the wide disparity between the cost of professional installation ($796) and doing the project oneself ($357).
- Among those surveyed, purchasers of indoor/outdoor carpeting were considerably older and had higher incomes than most home improvement product buyers, although it was the youthful minority in this group which was more likely to do it themselves than the older majority, the study said. However, this product category ranked lowest out of the eight decorative products evaluated, with only 2.5% of all adults 18 years and above having bought indoor/outdoor carpeting over the designated time period.
- Over 40% of all home improvement buyers purchased interior paint during this period, and the product made up the highest percentage of the 18 and over group (31.3%) that purchased the product within the survey's time frame. Over 49.9 million adults bought interior paint, and 81.8% of them applied it to their homes themselves. However, the study pointed out that nearly a quarter of those purchases were made from Sears, Roebuck, while specialty paint stores accounted for about 33% of total purchases among those surveyed. Home centers and hardware stores trailed these two outlet groupings.
- Over a 12-month period, 17% of United States adults bought exterior paint, and the Simmons/Frost & Sullivan study characterized this group as "slightly upscale" from the home improvement product averages, strongly male-oriented and heavily DIY, with 68.8% of those who bought exterior paint applying it themselves. The survey also noted that while latex paint still dominated the product category, 27% of the survey's participants bought some oil-based paint and a remarkable 1 out of 5 purchased stain.
- Wallpaper purchasers, like those of wall-to-wall carpeting, are younger than the home improvement product consumer universe, but more affluent. This group is also more heavily represented by female consumers than the other seven. Wallpaper as a category ranked third behind exterior and interior paint as the most-purchased decorative product among those adults polled.

However, it also ranked lowest among the six product groups in average DIY dollars spent per job ($101) and non-DIYer expenditures ($245). The study indicated that wallpaper purchases were generally small, with two-thirds of the estimated 19.6 million adults who bought the product spending less than $100 per year. Fewer than 3% of all purchasers bought more than $500 in wallpaper. The study suggested that shopping habits within this product group might offer "untapped marketing opportunities for brand-building."

This product category also seems to be losing its appeal among home center retailers (see related story, page 1).

- Home center retailers were also finding that lower-priced wall paneling, in lighter shades, was currently showing strong sales; but while the study found that two-thirds of households that bought paneling spent less than $200 a year on the product, the bigger-spending third accounted for more than half of total expenditures.
- Another solidly "middle class" product group was no-wax sheet vinyl, which tended to attract consumers in the family-formation period of their lives. The consumer profile within this product group coincides closely to what many home center retailers see as their target shopper, according to the study, and, as with wall-to-wall carpeting, DIY levels for sheet vinyl (38.8%) were thought to be surprisingly high.

A similar consumer attitude study, conducted for *NHCN* last year by the National Assn. of Home Builders and culled from 900 respondents, found the "typical" DIY customer of all home improvement products that might be targeted by dealers to be a 34-55-year-old professional who had lived in his home for over 10 years, had a wife and children and a household income exceeding $25,000 (*NHCN*, July 5, 1982).

- Strangely, no-wax floor tiles did not enjoy the same kind of DIY consumer activity as sheet vinyl. Only 58% of the 4.3 million adults estimated to have bought the tiles installed the product themselves, which the study called "surprisingly" because the product was designed specifically for DIY application by manufacturers.

The Simmons/Frost & Sullivan Decorative Products Consumer Profile Report analyzed buyers in relation to the United States population as well as the population of all home improvement buyers and the DIY consumer in terms of sex, employment status, occupation, wage earners in household, home ownership, value and length of residence, age, education, income, region, location, credit card possession, sports participation, Yellow Page usage, media exposure and leisure activities.

Of the 15,029 adults contacted during the interview period, which ended Aug. 20, 1981, over 11,000 histories were obtained from a nationally projectable sample of the population aged 18 years and over, living in the contiguous 48 states.

The dollar amounts spent on each product category were analyzed by region, locale and residence value. Purchasing patterns were explored two ways: respondents self-characterized shopping traits and cross-purchasing behavior among home improvement products. The interior and exterior paint studies also analyzed buyer demographics by brand, where the paint was bought and type (i.e., latex, oil or stain).

The paint studies may be purchased for $675 each, or $1,000 for the pair. The other six volumes are priced at $475 each, and may be obtained by contacting Customer Service, Frost & Sullivan, 106 Fulton St., New York, N.Y. 10038, or phone 212-233-1080.

DIY Decorative Product Activity

Decorative Product	Thousands of U.S. adults who purchased the product in past 12 months (per cent of all adults, 18 & over)	Per cent of those who install the product themselves*	Dollars DIYers spent for product	Dollars non-DIYers spent for product plus labor
No-wax vinyl tile	5,624 (3.5%)	38.8%	$185	$460
No-wax floor tile	4,263 (2.7%)	57.9	150	335
Wall-to-wall carpeting	18,078 (11.3%)	37.7	357	796
Indoor/outdoor carpeting	3,981 (2.5%)	46.4	128	439
Wall paneling	8,254 (5.2%)	63.8	222	445
Interior paint	49,928 (31.3%)	81.8	NA	NA
Exterior paint	26,846 (16.8%)	68.8	NA	NA
Wallpaper	19,613 (12.3%)	67.3	101	245

*Includes those who did part, or all of the work themselves, or who had someone in their household do the work
NA—Not available
Source: Simmons/Frost & Sullivan; *NHCN* chart

More than 15,000 United States adults were questioned about their home decor buying preferences in an extensive study written for Frost & Sullivan from Simmons Market Research Bureau data. Interior and exterior paint continue to be the most frequently purchased home decor products, and the study showed that both were bought heavily by DIY consumers.

Home decor departments

(Continued from page 41)

Their sales increased by 10% in 1982. However, buyer Dave Smith was not all that convinced that the development of a "home decor" department was essential to effectively service customers.

"Some of the products do require more service, but it's more a merchandising and buying problem," he said. "The department's products are so trendy, with styles and colors changing every couple of months sometimes, that you have to keep on top of your stock and update it constantly."

Busy Beaver is one of the few chains that have shown any success at all in selling wallpaper, which it started stocking two years ago. "We have about 24 running feet, plus another 8 ft. for special order books, and our sales increased 30% last year," said Smith. "Wallpaper is just now starting to show some signs of being a profitable product in the department." He could not decide whether grouping wallpaper with other decor products was the reason for its sales growth in 1982.

The 12-unit Hugh M. Woods, Denver, also promotes decorative products as a home decor grouping in its year-round advertising, but it maintains no designated home decor department.

"We like to keep the products within eyeshot of each other, and it's important to place them as close to the paint department—which is the biggest traffic draw—as possible," said company president Randy Woods. "But naming a department 'home decor' does not break down the products specifically enough for most customers."

Woods also noted that some products—such as knock-down furniture, Louvre shutters and decorative hardware—can fall into two or three product classifications, and customers might become confused if they look for specific products only in one section of the store.

"The secret is really getting as many of these products together, not in what you call the department," Woods said. "Once you succeed in getting the customer into the general area, unless he's completely useless, he can follow the subsigning in each aisle, or ask a salesperson for assistance. I really don't think calling a department 'home decor' is going to mean that much."

The 10-unit Chase-Pitkin, Rochester, N.Y., has experimented with a home decor department in three of its units, primarily to facilitate the more efficient "updating" of product lines and to offer consumers a stronger, more cohesive selection of goods, according to chain president Steve Underwood.

He noted, though, that the chain has only increased the floor space devoted to home decor products by 10%, and questioned whether the further development of such a department chainwide would need a higher service level than others in the stores.

"Home decor certainly is less self-service than other departments," he conceded, "but I don't know whether it requires any more sales help than some building materials. Both need a salesperson to write up the order, and both need a salesperson to make the cross-merchandising sale. Aside from that, I don't see home decor products being much different from the other items we stock."

NHCN The Home Center Mart

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Scotty's president Ray Cooney, left, and executive vice president Dennis Stults, right, look on as three Florida mayors cut the ceremonial 2x4 (guilded in gold for the occasion) commemorating the opening of the chain's Greenacres City, Fla., store—it 100th unit. Doing the sawing are (l.-r.) Dennis Wardlow of Key West, James Quigley of Greenacres City and Vince Whibbs of Pensacola. The out-of-town mayors were invited to symbolize Scotty's coverage of the state. For more news of home center companies making or planning to make building additions or changes, see New Stores column, page 29.

DIY plumbing market forecast:

Plastic fittings to lead expansion

CLEVELAND—The DIY plumbing market, which has tripled over the past 15 years, will continue to be a "major growth sector," and account for $7 billion in retail fixture sales in 1995.

The total United States market for plumbing fixtures and fittings is projected to exceed $10 billion at cost that year, a threefold increase from the 1981 total of $3 billion, according to a new study from Predicasts Inc., the market research firm here, entitled "Plumbing Fixtures and Fittings."

The study's author, John Wimberly, targeted high repair costs and the growing popularity of lighter weight, easy to install replacement parts as factors behind this projected expansion. Plastic fittings and fixtures will show the fastest growth, said the study, because of their lower cost, labor-saving installation and maintenance-free features.

However, the study also conceded that the growth of the plumbing market will be fueled also by inflation, as price hikes and raw material supply problems boost manufacturing costs. But unit shipments of fixtures such as sinks, showers and tubs were predicted to draw near 38 million in 1995.

Plastic fixture sales will grow over 4% per year to more than 7.8 million units sold in 1995, up from the 3.2 million shipped in 1981. And stainless steel unit sales will grow to 5.3 million in 1995, a 66% jump from the 1981 figures of 3.2 million units.

U.S. plumbing fixtures and fittings outlook

Unit sales by market (in thousands)	1981	1995	Annual per cent growth 1981-1985	Annual per cent growth 1985-1995
New housing	9,801	16,270	11.4%	1.0%
Replacement & repair	12,642	18,185	4.4	1.9
Commercial	2,198	3,510	6.0	2.5
TOTAL FIXTURES	24,641	37,965	7.5	1.5
Avg. cost per fixture	$71.20	$168.00	7.5	5.8
TOTAL SALES (in millions)	$2,944.3	$10,810	16.1	7.3
DIY retail sales (in millions)	$1,922.2	$7,380	10.9	9.8
DIY mfg. sales	$961.1	$3,690	10.9	9.8

Source: Predicasts Inc., Cleveland, Ohio; *NHCN* chart

A new study predicts the continued growth of the DIY plumbing market in the United States through 1995.

Z & L drops floor tiles

PITTSBURGH—Z & L Lumber is eliminating vinyl asbestos floor tile from its flooring department, and adding sheet vinyl in a move to fight off the inroads made by local specialty flooring stores.

The product, which has been phased out over the last few months, was doing "so poorly I'd be embarrassed to tell you," said Ron Kregiel, purchasing agent for the six-unit chain. The tiles have been consolidated to one store, where they have been marked down by 25%.

Kregiel pointed to competition from specialty flooring stores as the main factor in the elimination of the tiles. The chain had been stocking GAF tiles.

"They [the specialty outlets] buy by containers, and I could too, but we don't enjoy the volume to justify it," said Kregiel. He added that he expects a more equalized situation with the new line of sheet vinyl which Z & L will probably introduce in March.

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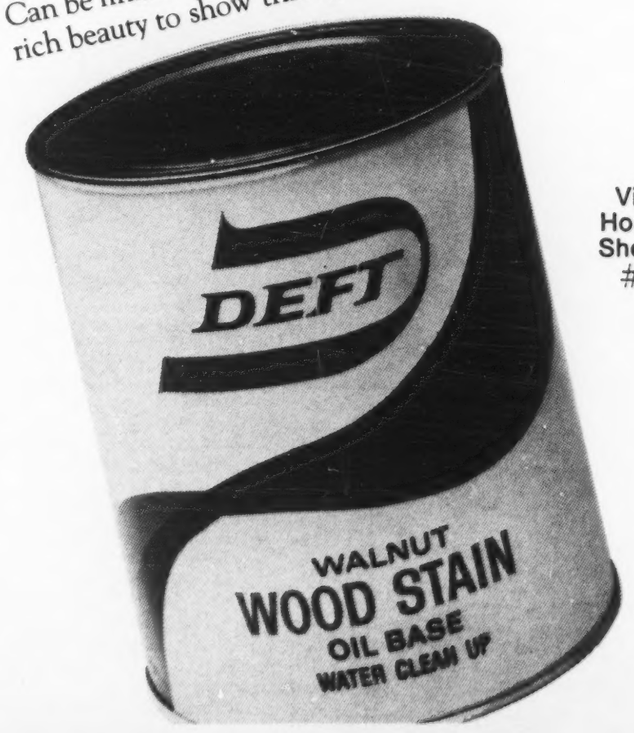

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Special show section:
Home Center Perspectives '83—p. 21

National
Home Center News®

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Home Depot unleashes Sunbelt expansion blitz

Battlelines drawn in Orlando area

By Wyatt Kash
NHCN editor

ORLANDO—Lori Larntz stared out her office window in the Food World store here on East Colonial Drive at the crowds outside in disbelief:

"I've lived here 12 years and I've never seen anything like it," she said.

Ever since the late J. M. Field department store chain closed its doors here five years ago, this has been a sleepy little four-store shopping plaza, according to Larntz, an office cashier.

Then suddenly late last month, with the grand opening of the 70,000-sq.-ft. Home Depot in the old Field store—one of two debuting in Orlando that day—the parking lot was exploding with cars.

Down on the macadam, two local policemen were doing their best to keep traffic mov-

(Continued on page 87)

Home Depot has thrown down the gauntlet against Florida home center king Scotty's with its two-store Orlando opening promotion offering 20% off Scotty's catalog prices.

Illustration from Home Depot circular

Next target: New Orleans

NEW ORLEANS—Home Depot announced it will open two new outlets here within the next four months—a move that marks the chain's first real expansion drive outside its Atlanta and Florida markets.

Company officials, in a separate report, also revealed plans to open a 70,000-sq.-ft. store in North Miami Beach—the chain's fifth store in the Greater Miami Area—scheduled to be on stream by the summer.

The new outlets here will occupy 70,000- to 80,000-sq.-ft. portions of two former Woolco stores, according to Bernard Marcus, Home Depot chairman. One of the locations, at 62 West Bank Expressway in Gretna, La., was one of Woolco's most profitable outlets prior to the chain's being closed down last year, according to a report appearing in *The Times*

(Continued on page 130)

Wickes unveils plans for early rise from Ch. XI

By Kenneth Schept
NHCN senior editor

SANTA MONICA, Calif.—Wickes Cos. early this month presented its creditors with a 250-page proposal to be used as a framework for negotiations in structuring final reorganization plans that could be ready by mid-1984—far sooner than most industry observers expected.

It took Wickes only 10 months to develop this preliminary reorganization proposal. With $4 billion in sales and $1.6 billion in debt when it filed for Chapter XI protection on April 24, 1982, Wickes is probably the largest and most complicated bankruptcy to be considered under the current code.

The unusual speed was a deliberate attempt to control the substantial costs of bankruptcy proceedings. The company is prepared to continue this pace by negotiating simultaneously with each of its four creditor committees, although that could produce several separate plans, according to Jeff Chanin, senior vice president.

To cope with the demands of this new stage of the bankruptcy proceeding Wickes is now undergoing an internal restructuring of executive responsibilities and also forming negotiating teams.

"We have to organize ourselves to deal with the problem of how to set up a reorganization plan, operate a business and improve the operation, all at the same time," Chanin said.

While the proposal that creditors received when they met in Los Angeles three weeks ago is considered confidential, it has become clear the new Wickes that emerges from reorganization will probably be similar in character to the old Wickes, but different in appearance.

The conglomerate will have operations in the same basic industries—merchandising, manufacturing and financial services—but there will be many fewer companies. Several major operations have been divested since the Chapter XI filing and five more, with combined annual sales of $108 million, were put up for sale this month.

Chanin said that these moves represented the main changes that will be made in the reformation of Wickes, but he did not rule out the possibility of future divestitures.

"We will be in the DIY busi-

(Continued on page 130)

Hechinger speeds up growth program

LANDOVER, Md.—Hechinger has accelerated its store expansion program, with plans now to open seven new stores this year (instead of five, as previously announced), and seven more in 1984.

The new stores are expected to solidify the 34-store chain's hold in its existing markets of Washington, Baltimore and Philadelphia as well as support its most recent move southward into North Carolina.

To fund the expansion, Hechinger officials are selling 600,000 additional common shares, a 4% increase over the 13.9 million shares already outstanding. In addition, trusts and partnerships controlled by the families of president John Hechinger and chairman Richard England are marketing 675,000 of their shares.

In another development, the company has reorganized a middle management level by renaming its four merchandisers as merchandise managers. The move came after Roy Chappelle, a merchandiser of tools, hardware, decoratives and building materials, left the company to pursue other business interests.

In addition to its first quarter opening in Winston-Salem, N.C., and two openings in Charlotte, N.C., Hechinger will debut its first outlet in Durham, N.C., this year. The company has also announced its intentions to locate in the Greensboro, N.C., market.

Officials also will open their fourth store in the Philadelphia

(Continued on page 130)

NEWSBREAKS

PENNEY DROPS PAINT, HARD LINES. J. C. Penney is eliminating its in-store offering of paint, tools, hardware, lawn and garden and automotive products, along with major appliances, in a move to rebuild its soft lines image. The items, currently in 450 of the 1,600-unit chain's large-to-medium size stores, are expected to be sold off by the end of the year, but will remain available through the New York-based, $11.4 billion retailer's catalog.

FROM DIXIELINE TO DIXIE. Jim Inglis, merchandising vp at Dixieline Lumber, San Diego, Calif., has accepted a senior merchandising position with Atlanta-based Home Depot.

INSIDE:

KEROSENE HEATER MAKERS take the wraps off a new point-of-sale consumer-education campaign ..... Page 92
HOW COMPUTERS HELP boost profits at two lumber operations is explored ..... Pages 100-104

A sign on the wall paneling display at an Orlando, Fla., Handy City promoting the chain's installed sales program is indicative of the growing industrywide effort to capture sales from homeowners who would rather "buy-it-themselves" than install it themselves. The story, pages 114-115, is just one of the home center operating strategies explored in this issue's special section, entitled "Home Center Perspectives '83," beginning on page 21.

NHCNews Briefs

Industry Update

Handy City shutters 3 Fla. stores

TAMPA, Fla.—W. R. Grace's Handy City chain is closing three of its outlets in southwestern Florida over the next several weeks and opening two others, according to Handy City officials.

Two of the stores to be closed are located in Tampa, a market with seven Scotty's stores and an equal number of Lindsley outlets. The third store to be closed is located in Holiday, Fla.

Handy City now operates only two outlets in Tampa, but W. R. Grace officials declined to comment on whether or not Handy City would be abandoning the Tampa market permanently. They did say the Tampa stores along with the Holiday store are to be "relocated" in Sarasota and Orlando.

One of the stores will be replaced by a 50,000-sq.-ft. ex-Woolco site in Sarasota, and one will open in a new site in Orlando. Handy City declined to say when the store would close, and when the new stores would open.

The addition of a new Handy City outlet to Orlando will bring to five the number of outlets the chain has located in that city.

Home Depot listed under NASDAQ

NEW YORK—Home Depot stock watchers probably had trouble finding the company's trading quotations earlier this month in the Over-the-Counter market's national list.

Some analysts speculated that Home Depot stock, being so hard to come by lately, might have been temporarily pulled from the list. Actually, the company was transferred to a new national market system established by the National Association of Securities Dealers Inc. last April.

Home Depot was one of 100 companies added to the NASDAQ National Market System during the week of Feb. 7, because it met certain minimum asset and trading activity thresholds.

Allyn O'Connor, an NASD analyst in Washington, D.C., said the new system is designed to make OTC more competitive with stock exchanges by providing quotations on high and low share prices. O'Connor said the system also enables price and volume data on sales to be computer disseminated within 90 seconds of each transaction.

Hines nets $6 mil. in sawmill sale

CHICAGO—The Edward Hines Lumber Co. says it will net about $6 million from the sale of three sawmills located in the Rocky Mountain area.

In a Feb. 3 letter to company stockholders, president and ceo Edward Hines said the mills have been sold to the Louisiana-Pacific Corp. in accordance with plans to divest the lumber firm of its manufacturing operations and to put greater emphasis on its DIY and wholesale businesses. Details of the transaction and its terms were not released, however.

The Hines company previously had sold off two of its three Southern sawmills. Plans to divest other manufacturing facilities will be unveiled late next month in an annual report.

The three mills, located in Saratoga, Wyo., and Kremmling and Walden, Colo., will become part of Louisiana-Pacific's Intermountain division. Division gm Sherman E. Kirchmeier said the mills will provide his company access to some 55 million board feet of lodgepole and Engelmann spruce each year.

The L-P Intermountain division already operates 16 sawmills and a particle board plant in five western states. Kirchmeier said the new mills, now earmarked for modernization, will serve lumber markets in Denver, Dallas, Houston, Albuquerque and Phoenix.

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Thomas Industries regional insert, pp. 64A, B

Vol. 9, No. 5 February 28, 1983

Crown Zellerbach's U.S. parent sells Canadian home centers

By Greg Puchalski
NHCN senior editor

CALGARY, Alberta—Officials at Crown Zellerbach Stores here are hoping that the sale of its United States parent's Canadian holdings including its home centers, completed last month, will mean continued expansion for the chain.

"We expect expansion to continue," related Bob Molle, general manager of Crown Zellerbach Stores, which operates 32 units in western Canada under the HomeTown and CrownMart names, "but there has been no definite word."

Crown Zellerbach, San Francisco, announced last month that it had signed definitive agreements with Fletcher Challenge Ltd. of New Zealand to sell its 84% interest in Crown Zellerbach Canada, including its stores, and its 100% interest in Norsk Pacific Steamship Co., the Bahamas, to Fletcher Challenge.

Still in doubt

Completion of the transaction, valued at about $242 million, was awaiting approval from the Canadian Foreign Investment Review Agency and by the Provincial Government of British Columbia.

Fletcher Challenge operates 58 home centers in New Zealand, Molle said, as well as having substantial interests in the paper and forest products.

"Coincidentally, they [Fletcher Challenge] made a trip here three or four years ago and while they had nothing in mind [about purchasing] back then, they were quite impressed with the stores," Molle said.

There are nine consumer-oriented HomeTown units, including four in Calgary, three in Vancouver, one in Edmonton and one in Regina, Saskatchewan; all averaging 50,000 sq. ft. Crown Mart includes 23 contractor and farm-oriented outlets averaging about 5,000 sq. ft. in Alberta and Saskatch-

(Continued on page 130)

Former discounter Kossar joins Grace in sr. vp spot

NEW YORK—Bernard Kossar, a former consultant to the chairman of the board of the A&P Co., joined W. R. Grace's $1 billion retail group as senior vice president of marketing earlier this month.

Bernard Kossar

Kossar's newly created position will span all of Grace's retail operations. He will work with Frank Denny, president of the home center division and report to the same boss, Edward H. Tutun, Grace executive vp and group executive for retail.

Kossar has not yet seen the entire retail operation of W. R. Grace, but is embarking on a tour of the home centers and other W. R. Grace stores.

Kossar's previous retail experience includes being president of Vornado from 1978 to 1980, and chief operating officer of Cornwall Equities from 1965 to 1978. He was also president and ceo of Cornwall's Franklin Stores and Barkers divisions.

Quarter up, year down in home sales

WASHINGTON—Sales of existing single-family homes advanced for the fourth consecutive month in December, rising 2.8% to a seasonally adjusted rate of 2.18 million units.

Sales statistics, announced by the National Assn. of Realtors, showed activity at a rate 20% higher than that reported at midyear. The year-end improvement was not enough to prevent 1982 from becoming the worst year for existing home sales in more than a decade, however.

Jack Carlson, NAR's chief economist and executive vice president, said 1982 resale transactions totaling 1.94 million units represent a 17.5% drop from 1981. The 1982 figure reflects about half the performance logged during the 1978 peak resale period.

Carlson said recovery has come to the housing industry nonetheless. "Home sales are improving in all regions of the country and the level of resale activity is higher than it was 12 months ago in every region of the country except the West," the NAR official said.

Prices held steady during most of the year. In December, the median sales price of an existing home was $67,500, a figure $200 lower than that of November but 1.4% higher than the median price of two years before.

The largest annual price increases came in the Northeast, where the median home price for December was 5.2% greater than that of a year before. The South experienced a price gain of 2.9% while the north central region reported an increase of 6%.

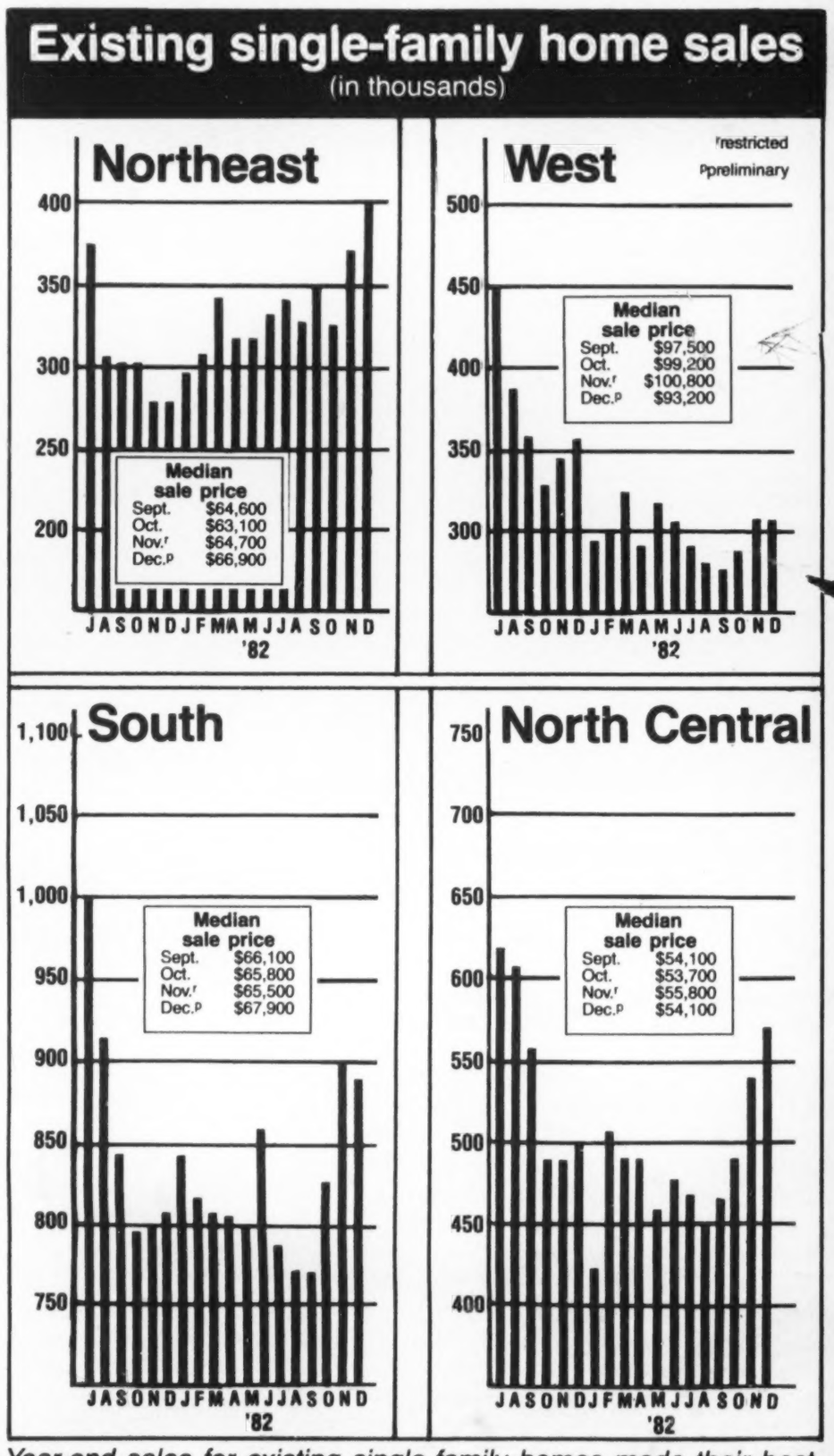
The West, the only region to report a decline, saw a 1% drop in selling prices for the year.

For the third consecutive year, the rate of resale-home appreciation lagged behind consumer price inflation.

Carlson said he expects home prices to remain at "bargain" levels through the spring. "The housing supply is not expected to keep up with increasing demand, and by 1984 home prices are likely to increase faster than overall inflation."

The NAR also released a quarterly state-by-state report showing California as having the most active housing resale market.

Increased resale activity was reported in Louisiana, New Jersey, Maine, Kentucky, Alabama and Pennsylvania.



Year-end sales for existing single-family homes made their best showing in the northeastern United States where activity dropped off by only 0.2%. National unit sales, bolstered by a 2.8% gain in December, finished the year at 1,939,000, a volume 18% lower than that for 1981 and nearly 50% below the 1978 peak.